



State Innovation Models Initiative



*Centers for Medicare and
Medicaid Services*

*August 22, 2012
Webinar*

Discussion Topics

Rationale for State Innovation Models

The State Health Care Innovation Plan

Model Design and Testing

State Innovation Models: Rationale

This Initiative test whether new service delivery and payment models will be more effective and produce better outcomes when they are implemented as part of a broad-based, Governor-led, statewide initiative that brings together multiple payers and stakeholders -- and uses the levers of state government to effect change

States can be strong partners in transforming health care because they:

- Pay for a large percentage of health care services
- Have broad regulatory powers over health care providers and payers
- Have responsibility for public health, social service, and primary, secondary, and higher education
- Can convene payers, providers , and other key stakeholders
- Contract for a large percent of health care coverage
- Can integrate state health information exchange infrastructure and capabilities to support accountable care

Definitions for Models

Two Key Concepts

State Health Care Innovation Plan

This is the comprehensive approach to transforming the health system of a state. The State Health Care Innovation Plan will include the state's vision, strategies, delivery system and payment models, performance measures, implementation approach and operational plan to drive improved health care, population health, and lower cost through continuous improvement

Payment and Service delivery Model

Refers to specific delivery system designs, such as accountable care organizations, integrated care systems, or medical homes that are supported by aligned payment methods that reward value. These models will be described in a State Health Care Innovation Plan.

A reformed delivery system will support and reward those who improve the health of populations

Acute Health Care System

- ✓ High quality acute care
- Accountable care systems
- Shared financial risk
- Case management and preventive care systems
- Population-based quality and cost performance
- Population-based health outcomes
- Care system integration with community health resources

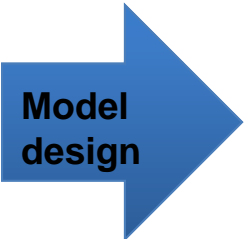
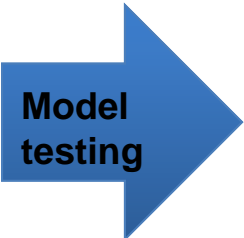
Coordinated Seamless Health Care System

- High quality acute care
- ✓ Accountable care systems
- ✓ Shared financial risk
- ✓ Case management and preventive care systems
- ✓ Population-based quality and cost performance
- Population-based health outcomes
- Care system integration with community health resources

Community Integrated Health Care System

- High quality acute care
- Accountable care systems
- Shared financial risk
- Case management and preventive care systems
- Population-based quality and cost performance
- ✓ Population-based health outcomes
- ✓ Care system integration with community health resources

States may apply for one of two types of awards

	Description	Funding Amount
	<ul style="list-style-type: none">• Provide financial and technical assistance to states to develop a State Health Care Innovation Plan• Plans will be based on multi-payer payment and delivery system models, including: accountable care arrangements, medical/health home networks, integrated delivery systems, or regional health systems• Models should strive to move states toward community-centered, seamless care and promote accountability for improvements in cost, quality and population health	<ul style="list-style-type: none">• \$1-3 million per state• Support for up to 25 states
	<ul style="list-style-type: none">• Provide financial and technical assistance to states that are ready to deploy multi-payer, outcomes-based payment and delivery models• First round: accountable care arrangements, medical/health home networks, or value-aligned payment systems• Second funding announcement possible in spring of 2013	<ul style="list-style-type: none">• \$20-60 million per state• Support for up to 5 states

State Health Care Innovation Plan

- The plan must be submitted with Model Testing Applications
- Plans must describe:
 - How the state will coordinate health care and public health programs, such as licensing, accreditation, health departments, insurance oversight, educational assistance, and publically supported provider entities -- all aimed at delivering better health care, improved health and reduced costs through improvement
 - A comprehensive approach to move the health care system from fee for service to value-based payment models
 - Strategies for multi-payer payment and service delivery models
 - Approaches to improve population and community health and address the underlying determinants of health the increase long term health care cost

We will measure the initiatives success in terms of better health, better health care and lower cost

- 1. Better health:** Better health as measured by individual and population metrics
- 2. Better health care:** Improved experience of care measured by safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity metrics
- 3. Lower costs:** Lower total cost of care through improvement

Examples of Opportunities for Complementary State Support

- **Opportunities for Funding Support**

- Providing supplemental funds for health delivery system and payment model design planning
- Supporting stakeholder engagement and collaborative learning
- Funding supplemental subject area expertise as needed
- Supporting evaluation of private sector model testing results
- Supporting deployment of best practices the development beyond participating states
- Funding the development of training and collaborative learning resources and materials
- Providing resources to states not selected for model testing but who have potentially transformative models.
- Funding provider training
- Funding consumer information resources

- **In-Kind Support**

- Sponsoring workshops, forums, or summits on topics relevant to states.
- Sponsoring subject area experts to assist states developing State Health Care Innovation Plan
- Sponsoring complementary research or rapid cycle evaluation beyond the resources of State Innovation Models grant award

Questions

